THE GUIDE OUTFITTING INDUSTRY IN BC — AN ECONOMIC PROFILE

Prepared for:

Economic Development Branch
BC Ministry of Sustainable Resource Management

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BUILDING BLOCKS FOR ECONOMIC DEVELOPMENT & ANALYSIS

PREFACE

PURPOSE

Building Blocks have been conceived and developed by the Economic Development Branch of the Ministry of Sustainable Resource Management, under the guidance of Nancy South, Manager Economic Analysis, as an analytical tool that supports British Columbia coastal and land and resource use planning and decision-making and economic development initiatives. The Blocks contain concise business and sector information for a broad range of resource-based business types in BC. At this point, there are more than 30 Blocks either complete or in draft form. Several more Blocks have been identified as high priority by planning tables and other client groups. Additional Building Blocks will be developed over time, and some Blocks may be updated. For the most current Building Blocks, please see the Ministry of Sustainable Resource Management website, at: http://srmwww.gov.bc.ca/rmd/ecdev/

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BENEFITS

Building Blocks are expected to provide the following general benefits:

- Increase efficiency and more informed decision-making by providing readily accessible, credible information to planning and economic development processes;
- Improve the consistency of economic information across planning areas;
- Support economic analysis and decision-making that occurs outside formal coastal and land use planning processes; and
- Provide linkages between economic analysis and other social and environmental analytical tools (through identifying resource requirements to support economic activities and general compatibilities with other sectors and values).

LIMITATIONS

Every effort has been made to ensure that the information contained in Building Blocks is accurate and consistent. Approved, credible data sources are the foundation for Building Blocks. All Blocks were reviewed by sponsoring agencies and other experts. However, users are cautioned that information is used at their own risk, and that the authors and sponsors are not liable for any damages. Any conclusions or interpretations by the authors are not intended to represent government policy. Also, note that Building Blocks do not provide site specific information nor do they consider requirements for sustainability (social, community, environmental).

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RECOMMENDED REFERENCE/CITATION

BC Ministry of Sustainable Resource Management, 2003, Building Blocks for Economic Development and Analysis, *[Title of Sector]*. http://srmwww.gov.bc.ca/rmd/ecdev/

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1.0 INTRODUCTION AND BACKGROUND

Multiple Account Evaluation (MAE) is a method for systematically displaying a broad range of impacts from resource development projects and land use planning scenarios. One important class of impacts is the Economic Development Account comprising sales, employment, government revenues, and other economic indicators.

The Ministry of Sustainable Resource Management is developing Economic Building Block Templates for various sectors to assist in the land use planning process. This short 3 week study presents an Economic Building Block for "guide outfitting".

The Building Block has three components: a Sector Overview (Exhibit 1), an Economic Profile (Exhibit 2), and a Regional Profile (Exhibit 3).

2.0 EXHIBIT 1: BIG GAME GUIDE OUTFITTING IN BC – A PRELIMINARY SECTOR OVERVIEW

2.1 Overview

- 231 active (244 licenced) guide outfitters in 8 provincial Wildlife Management Units
- Two regions – the Omineca-Peace and Skeena – have 55 to 60% of total industry
- Hunting season varies with the species hunted eg. normally late April to early June for bear; sheep from August into October; fall for moose, deer and goat; cougar from late December to February
- Species hunted varies with the area eg. black bear, mountain goat and sheep, elk and moose in Omineca-Peace; moose, caribou, goat and sheep in Skeena; black bear on Vancouver Island
- Some operators also serve non-hunting clients in the summer (a down season) for trail riding, fishing, wildlife viewing etc.
- Although the actual guiding of clients may be seasonal, business planning, marketing and record keeping are year-round activities for the guide-outfitter
- The Guide Outfitters Association of BC (GOABC) represents the majority of guide outfitters in the province and undertakes significant resource co- management activities with the Province
- In 2001/02, 4833 hunting clients hunted an average of 10.7 days each

2.2 Resources

- Guide territories cover almost the whole province
- Operators need access to good wildlife populations in a pristine wilderness setting
- 4386 big game animals harvested in 2001/02- 1296 black bear, 28 grizzly bear, 206xcaribou, 117 cougar, 210 deer, 325 elk, 1276 moose, 10 bison, 217 sheep, 379 goat,x61 wolf, 26 lynx, 2 wolverine, 2 bobcat (plus upland game birds and waterfowl)

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2.3 Products

- Two main tourism products:
  - Hunting packages- normally 5 to 14 day package involving extensive travel, meals, accommodation away from the Base Camp or Lodge
  - Other products – normally sold by the day for an outdoor experience centred at the Base Camp or Lodge
- Angling guiding often is part of the hunting package

2.4 Markets

- Almost exclusively an export market for hunting clients most of which are "long haul"
  - 3% Canada
  - 84% US eg. Texas, Washington, California, Michigan
  - 13% outside North America eg. Germany
- Wilderness excursions are more "short haul" and attract more close-to-home clients
- BC guide outfitters can command premium prices by providing access to a variety of wildlife in a pristine wilderness setting
- Wilderness excursions share of total business has been growing as guide outfitters try to diversify to more year-round operations
- Hunting markets are very competitive; repeat business is key to viability and growth
- Main marketing tools: "word of mouth", brochures, magazine advertising, phone contact, and consumer shows

2.5 Investment Requirements

- Average market value of an existing operation would be about $700,000-$375,000 for the guide outfitter certificate plus $325,000 for land, facilities, vehicles, etc.
- Typical operations include: a lodge with cabins or tents, pack and riding animals, satellite camps (operations in more remote regions may also include airplanes, boats and other transportation modes)

2.6 Infrastructure

- Few other requirements as the attraction is the wilderness setting

2.7 Labour Market

- Many owner operator and family operations
- Require trained assistant guides and camp helpers, wranglers, cooks etc.
- Wage rates (excluding "room and board")
  - $3000-5000 per month for assistant guide
  - $2400-3600 per month for cook
  - $1800-2500 per month for wrangler/camp helpers/others
- Significant staff recruitment & retention problems exist

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- GOABC operates a 30 day guide school in summer

2.8 Regulatory Regime

- Operators subject to provisions of the Wildlife Act and Commercial Activities Regulation BC Reg 338/82 of the Ministry of Water, Land and Air Protection
- Non-Canadian big game hunters in BC must be accompanied by a licensed guide outfitter (but resident hunters are not required to use a guide)
- Guide outfitter licences are limited and each guide outfitter is allocated a guiding certificate/licence to a specific territory or tenure
- To be a guide outfitter you must:
  - Be a Canadian citizen or permanent resident of Canada
  - Have held an assistant guide licence for 24 months
  - Have public liability insurance for at least $1 million
- To be an assistant guide you must:
  - Be a Canadian citizen or permanent resident of Canada
  - Be at least 19 years of age
  - Be employed by a guide outfitter
- A guide outfitter or assistant guide may guide no more than 2 people at one time
- Within 10 days of each concluded hunt, the guide outfitter must deliver a completed guide report to the Ministry
- A guide outfitter license or certificate is freely transferable but the receiving individual must meet the license eligibility criteria
- No license is presently required for guiding non-hunting clients but, in the future, these clients may be asked to pay fees

2.9 Capacity for Growth

- Significant capacity for growth due to exceptional game resources and wilderness setting in British Columbia
- But other users of wilderness potentially restrict growth e.g., oil & gas development, forestry (development/road access into or adjacent to a guide area diminishes the guide business through: reducing game populations/habitat, creating more opportunities for resident non-guided hunters, and the dilution of the wilderness experience)
- Potential new regulations/fees for guiding backcountry recreationists may limit growth of this market

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2.10 Government Revenues

- Provincial government revenues include:
  - $400 for annual guide-outfitter licence plus $5 habitat surcharge
  - $50 for annual assistant guide license plus $5 habitat surcharge
  - royalties paid by guide outfitter range from $25 per wolf to $1000 per grizzly bear (in 2002/03)
  - hunting licence fees paid by hunter ($21 resident of BC, $46 other Canadian, $145 non-Canadian)
  - species licences or tags bought by hunter ranging from $25 (bobcat, lynx, wolf, wolverine) to $600 (grizzly bear in 2002/03)
  - other fees/taxes include: land tenure, park use, water licence, grazing licence, hotel lodging, sales tax
- Property taxes based on Ministry of Provincial Revenue property assessments and local government assessment rates accrue to local governments

2.11 Input Output Impacts

- Approximate distribution of purchases and factor inputs as share of guide outfitter revenues:

40%	labour including guide, assistant guide, other
33%	purchased inputs
12%	provincial, local government taxes/fees
15%	interest, depreciation, before tax profit
100%	

- 2.6 PYs direct employment per operation (guide, assistant guide plus camp helper/other) indirect (supplier-related) and induced (consumer spending) impacts add 50% to 100% to employment impacts above

Source: Estimates by GSGislason & Associates Ltd. based on "Annual Summary of Guided Hunter Activity in British Columbia 2001-2002" statistics, available reports, and interviews.

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3.0 EXHIBIT 2: THE GUIDE OUTFITTING INDUSTRY IN BC 2001 – A PRELIMINARY ECONOMIC PROFILE

	Total Industry 2001	2001 Industry Ratios Per Operation	2001 Industry Ratios Per Hunting Client
Number of Guide Outfitters	231	1.00	0.05
Hunting Clients			
BC Residents	86	0.4	.02
Other Canadians	82	0.3	.02
Non-Canadians	4665	20.2	.96
Total	**4833**	**20.9**	**1.00**
Revenues			
Hunting	$32 million	$138,500	$6,620
Other	8 million	34,500	1,660
Total	**$40 million**	**$173,000**	**$8,280**
Positions/Jobs			
Guide Outfitter	231	1.00	.05
Assistant Guides	1016	4.40	.20
Camp Helpers & Other	480	2.08	.10
Total	**1727**	**7.48**	**.35**
Employment & Wages			
Person- Years	600	2.6	0.12
Wages & Salaries	$16 million	$69,300	$3,300
Investment (original cost)	$120 million	$520,000	$25,000
Government Revenues			
Provincial			
Guide Outfitter & Assist Guide Fees	$0.14 million	$600	$30
Guide Royalties	$0.41 million	$1800	$85
Hunting Licences	$0.68 million	$2940	$140
Hunting Tags	$1.47 million	$6360	$300
Land Tenure, Park Use, etc.	$2 million	$8700	$400
Local Property Tax	$0.2 million	$900	$40

Source: Estimates by GSGislason & Associates Ltd. based on BC Ministry of Water, Land and Air Protection data, available reports, and interviews.

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4.0 EXHIBIT 3: REGIONAL PROFILE OF BC GUIDE OUTFITTER ACTIVITY 2001/02

	Region								
	Van Island	Lower Mainland	Southern Interior	Kootenay	Cariboo-Chilcotin	Skeena	Omineca-Peace	Okanagan	Total Province
Activity *									
No. Guide Outfitters	8	4	9	38	48	49	84	11	231
No. Asst Guides	31	3	27	228	124	222	419	30	1016
No. Hunting Clients	191	28	149	753	760	1017	1789	224	4833
Harvest									
Black Bear	171	27	61	131	162	229	399	116	1296
Grizzly Bear	0	0	0	0	1	12	15	0	28
Caribou	0	0	0	0	4	122	80	0	206
Cougar	6	0	7	28	30	0	0	46	117
Deer	1	0	11	46	93	13	23	23	210
Elk	3	1	0	88	0	0	233	0	325
Moose	0	0	9	27	211	410	610	9	1276
Bison	0	0	0	0	0	0	10	0	10
Sheep	0	0	6	8	0	70	128	5	217
Goat	0	0	19	63	17	146	130	4	379
Wolf	1	0	0	5	3	18	34	0	61
Lynx	0	0	5	1	14	0	0	6	26
Wolverine	0	0	1	0	1	0	0	0	2
Bobcat	0	0	2	9	6	0	0	13	30

* Some hunters and some guides were active in more than one region; hence the sum of the regional figures in some hunter and guide categories exceeds the number given for the province.

Source: BC Ministry of Water, Land and Air Protection, "Annual Summary of Guided Hunter Activity in British Columbia 2001-2002", Fish and Wildlife Recreation and Allocation Branch, 2002.

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